

IMPORTANT RETIREMENT INFORMATION FOR ALL HRM STAFF

FLYER

**058A-65
June 27, 1995**

TO: Chief, Human Resources Management Service

SUBJ: Retirement Calculations and Refund Liabilities

It has come to our attention that HRM offices are not consistently following correct procedures with regard to an employee's retirement record when a section 7431 special pay refund liability exists. It's very important that an employee's retirement record be correct to avoid an overpayment of a retirement annuity. Retirement estimates must not include the amount of the refund liability. Please refer to HRML No. 05-94-17, dated June 13, 1994, which contains information and examples on special pay and how it affects employee benefits (retirement, life insurance and the Thrift Savings Plan). HRM offices should make all appropriate adjustments to the employee's record, regarding the refund liability, prior to separation (See paragraphs 19 i and j of MP-5, Part II, Chapter 3, Section B, for additional guidance). If a refund liability is approved after Austin Finance Center (AFC) has cut the retirement records, facilities will need to take the necessary action to correct these records. Corrected retirement records go directly to the Office of Personnel Management, they are not submitted through AFC. Any questions on these procedures should be directed to VACO, Systems Division, on (202)-565-8093.

If your office is not receiving copies of the denial or approval letters on refund liabilities from the director's office, they should call VACO, Pay Administration, on (202)-565-8736. Questions from your payroll office on refund liabilities should be directed to the appropriate Chief, Finance Officer's Liaison office.

Any questions regarding this Flyer may be directed to Barbara Wright (202) 565-8586, Bruce Ducharme (202) 565-8591, or Rod Meader on (202) 565-8588.

Employee Relations Division (058A)
Office of Human Resources Management
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